

C.7

MEMO TO: City Council

FROM: Rosemarie Ives, Mayor

DATE: March 6, 2007

**SUBJECT: ORDINANCE: CREATE MICROSOFT DEVELOPMENT REVIEW FUND
ORDINANCE: ADOPT 2007-08 BUDGET ADJUSTMENT**

I. RECOMMENDED ACTION:

By motion, adopt the proposed two ordinances to establish the Microsoft Development Review [MDR] Fund and its corresponding budget for 2007 and 2008. The first ordinance formally establishes the MDR Fund. The second ordinance amends the 2007-08 Budget by establishing the appropriations for the MDR Fund as reviewed by Council for 2007 and 2008.

II. DEPARTMENT CONTACT PERSONS:

Rob Odle, Director, Planning and Community Development, 425-556-2417

Jim Roberts, Deputy Planning Director, 425-556-2424

Dave Rhodes, Public Works Director, 425-556-2705

Tim Fuller, Fire Chief, 425-556-2202

Lenda Crawford, Finance Director, 425-556-2160

III. DESCRIPTION:

A. Creation of Microsoft Development Review Fund:

These two ordinances establish the MDR Fund and budget appropriations. Adoption of these ordinances provides the appropriate fund to receive payments from Microsoft for supplemental development review employees and other costs and from which to disperse payments for all costs associated with the development review of Microsoft projects over the next three years as detailed in the Memorandum of Understanding [MOU]. These actions implement the "Memorandum of Understanding Regarding Staffing for Microsoft Development Review" that was listed earlier on tonight's agenda. Approval of these ordinances is consistent with the direction provided by the City Council during the deliberations on the 2007-08 Budget.

B. Fiscal Impact:

Adoption of this ordinance will impact the City's 2007-08 budget by making appropriations in the new MDR Fund of \$6,090,607. An initial payment from Microsoft of \$499,366 will cover all start-up costs associated with the hiring of the new employees and provision of their necessary equipment, such as vehicles and computers [as needed]. At that time a second payment of \$465,937 will be made to

cover the salary and benefits costs associated with those supplemental employees for the first three months. Subsequently, equal payments will be made every quarter for the three-year duration of the MOU [Exhibit D of the MOU].

IV. ALTERNATIVES:

A. Adopt as proposed.

B. Do not adopt. Failure to approve will prevent the City from implementing the MOU for Microsoft Development Review. This will cause delays to development review throughout the city.

V. TIME CONSTRAINTS:

Timely approval of these ordinances would ensure that the City implements the MOU as efficiently as possible.

VI. LIST OF ATTACHMENTS:

Attachment A: Ordinance creating Microsoft Development Review Fund

Attachment B: Ordinance amending 2007-08 Biennial Budget and Exhibit 1

/s/
Robert G. Odle, Planning Director

3/1/07
Date

Approved for Council Agenda: /s/
Rosemarie Ives, Mayor

3/1/07
Date

ATTACHMENT A

ORDINANCE NO: _____

AN ORDINANCE OF THE CITY OF REDMOND, WASHINGTON, ESTABLISHING A FUND TO BE KNOWN AS THE MICROSOFT DEVELOPMENT REVIEW FUND AND AUTHORIZING EXPENDITURES FROM THE NEWLY CREATED FUND.

WHEREAS, an appropriate fund should be created to facilitate budgeting and accounting of Microsoft Development Review monies and operations;

WHEREAS, after due consideration, the City Council of the City of Redmond instructed the Mayor to proceed with the establishment of a new fund, now, therefore,

THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON
HEREBY DO ORDAIN AS FOLLOWS:

Section 1. Fund Created. There is hereby created a new special revenue fund within the biennial budget to be known as the “Microsoft Development Review Fund.” The purpose of this fund shall be to account for revenues received and expenditures incurred for, but not limited to the review and inspection of development projects and their construction by the Microsoft Corporation in the City of Redmond for the duration of the approved “Memorandum of Understanding Regarding Staffing for Microsoft Development Review.”

Section 2. Unexpended Funds. All unexpended funds at the end of any budget year shall remain in the Microsoft Development Review Fund.

Section 3. Severability. If any section, sentence, clause, or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this ordinance.

Section 4. This ordinance, being an administrative action, is not subject to referendum and shall take effect five (5) days after passage and publication of the summary thereof consisting of the title.

CITY OF REDMOND

MAYOR, ROSEMARIE IVES

ATTEST / AUTHENTICATED:

CITY CLERK, MALISA FILES

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY

BY: _____

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO. _____

ATTACHMENT B

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF REDMOND, WASHINGTON,
MAKING ADJUSTMENTS TO CITY BUDGETS, AMENDING
ORDINANCE NO. 2316.

WHEREAS, the Finance Director has identified the need to make certain revisions to the 2007-08 biennial City budget, and the City Council has reviewed the proposed adjustments and has determined that they should be made, now, therefore,

THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, DO
ORDAIN AS FOLLOWS:

Section 1. Ordinance No. 2316 adopting the 2007-08 biennial budget, passed by the City Council on December 19, 2006, is hereby amended to reflect the increased appropriations set forth in Exhibit 1 attached hereto and incorporated herein by this reference as if set forth in full. The sources of funds for the increased appropriations are from the Microsoft Corporation in payment for development review services.

Section 2. This ordinance, being an administrative action, is not subject to referendum and shall take effect five (5) days after passage and publication of an approved summary thereof consisting of the title.

CITY OF REDMOND

MAYOR, ROSEMARIE IVES

ATTEST/AUTHENTICATED:

CITY CLERK, MALISA FILES

APPROVED AS TO FORM:

OFFICE OF THE CITY ATTORNEY

BY: _____

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
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ORDINANCE NO.: _____

EXHIBIT 1
Amendment to 2007-08 Budget Appropriation

Fund 115 - Microsoft Development Review Supplemental Employees Fund

DESCRIPTION	REVENUES	EXPENDITURES
Permit Fees	\$6,090,607	
Salaries and Benefits		\$4,088,807
Overhead		1,520,250
Capital		243,100
Supplies		238,450
Net Change in Appropriation	<u>\$6,090,607</u>	<u>\$6,090,607</u>